

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAI'I

SPORTS SHINKO CO., LTD.,)	CV 04-00124 ACK-BMK
a Japanese corporation,)	
)	DECLARATION OF
Plaintiff,)	JASON H. KIM
)	
vs.)	
)	
QK HOTEL, LLC, a Hawai'i)	
limited liability company;)	
KG HOLDINGS, LLC, a Hawai'i)	
limited liability company;)	
FRANKLIN K. MUKAI,)	
)	
Defendants,)	
)	
and)	
)	
FRANKLIN K. MUKAI,)	
)	
Third-Party Plaintiff,)	
)	
vs.)	
)	
SPORTS SHINKO (USA) CO.,)	
LTD., et al.,)	
)	
Third-Party)	
Defendants,)	
)	
and)	
)	
SPORTS SHINKO (HAWAII) CO.,)	
LTD., etc., et al.,)	

Third-Party Defendants/)	
Counterclaimants,)	
)	
vs.)	
)	
QK HOTEL, LLC, a Hawai`i)	
limited liability company;)	
KG HOLDINGS, LLC, a Hawai`i)	
limited liability company,)	
FRANKLIN K. MUKAI,)	
)	
Third-Party Counterclaim)	
Defendants.)	
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)	
SPORTS SHINKO CO., LTD.,)	CIVIL NO. CV 04-00127
a Japanese corporation,)	ACK/BMK
)	
Plaintiff,)	
)	
vs.)	
)	
OR HOTEL, LLC, a Hawai`i)	
limited liability company;)	
KG HOLDINGS, LLC, a Hawai`i)	
limited liability company;)	
FRANKLIN K. MUKAI,)	
)	
Defendants,)	
)	
and)	
)	
FRANKLIN K. MUKAI,)	
)	
Third-Party Plaintiff,)	
)	
vs.)	

SPORTS SHINKO (USA) CO.,)
LTD., etc., et al.,)
)
Third-Party)
Defendants,)
)
and)
)
SPORTS SHINKO (HAWAII) CO.,)
LTD., etc., et al.,)
)
Third-Party Defendants/)
Counterclaimants,)
)
vs.)
)
OR HOTEL, LLC, a Hawai`i)
limited liability company;)
KG HOLDINGS, LLC, a Hawai`i)
limited liability company;)
FRANKLIN K. MUKAI,)
)
Third Party Counterclaim)
Defendants.)
)
_____)

DECLARATION OF JASON H. KIM

I, Jason H. Kim, hereby declare:

1. I am an attorney for Plaintiff Sports Shinko Co., Ltd
(SS Japan) in the above-entitled actions.

2. On November 26, 2002, SS Japan and various of its subsidiaries instituted a lawsuit in the Circuit Court of the First Circuit, State of Hawai`i against the former management of SS Japan's Hawai`i subsidiaries – Yasuo Nishisa, Satoshi Kinoshita, Toshio Kinoshita, Takeshi Kinoshita, Toshiya Kinoshita, and Tsugio Fukuda – alleging, *inter alia*, breach of fiduciary duties owed to SS Japan and various of its subsidiaries.

3. SS Japan has made approximately 250 boxes of documents available for review by the KG Parties. This includes documents held by SS Japan; Thomas Hayes (who was hired to administer some of the affairs of the Sports Shinko Hawai`i subsidiaries); SS Japan's former law firm, McCorriston Miho Miller Mukai; and SS USA's former accountants, Grant Thornton.

4. In response to Defendant Mukai's Request for Answers to Interrogatories, served October 19, 2006, SS Japan designated a number of documents pursuant to F.R.C.P. 33(d). Most of the designated documents related to intercompany debt. The total volume of designated documents amounts to approximately nine boxes. Even though the designated documents

had been either produced to, or made available for review by, the KG Parties, SS Japan prepared a copy set of all the designated documents for the KG Parties as a courtesy.

5. In order to prepare the detailed accounting of the intercompany debt requested by the KG Parties in their Motion to Compel, SS Japan's counsel would manually review the nine boxes of designated documents and compile the requested information.

6. To the best of my knowledge and belief, transactional-level financial records specific to the Sports Shinko subsidiaries that held the properties at issue in this action were maintained onsite at those properties and transferred to the KG Parties and related companies. In the course of this action, I have reviewed documents at the Pukalani Golf Club, a property now controlled by the KG parties and their related companies. The documents made available for review included such transactional-level financial records.

7. The KG Parties have subpoenaed Grant Thornton and received over 40,000 pages of documents relating to the finances of SS USA and its Hawai'i subsidiaries.

8. As part of its most recent production, which was transmitted to the KG Parties on May 10, 2007, Grant Thornton produced approximately 40 pages of documents (GT 038212-038266) showing subsidiary-level details underlying the SS USA financial statement, including income statements, balance sheets, and trial balances for each subsidiary.

9. SS Japan's counsel have no further discoverable information to provide at this time concerning the SS USA 2004 financial statements but continue to make inquiries with SS Japan and third parties to determine if further information is available.

10. Attached as Exhibit "1" to this Declaration is a true and correct copy of a memorandum dated April 15, 1986 from Franklin K. Mukai to Sports Shinko Co., Ltd.

11. Submitted separately as Exhibit "2" is a true and correct copy of a promissory note dated June 4, 1990 with SS Japan as the holder and SS Waikiki as the maker. SS Japan does not currently have an original, signed copy of this promissory note.

12. Submitted separately as Exhibit "3" is a true and correct copy of the 2002 consolidated financial statement for Sports Shinko (USA) Co., Ltd. and subsidiaries, including SS Waikiki.

13. Attached as Exhibit "4" to this Declaration is a true and correct copy of an exchange of emails between Steve Iwamura (of Deloitte Touche Tohmatsu) and Jon Yamanishi (of KG Holdings, LLC) dated between April 14, 2003 and April 16, 2003.

14. Submitted separately as Exhibit "5" is a true and correct copy of an exchange of emails among Hongchay Vixaysack and Doreen Griffith (of Grant Thornton's Honolulu office), Hitoshi Okuzumi and Chieko Ono (of Goldman Sachs Realty Japan, Ltd.) and Steve Iwamura dated between July 19, 2005 and September 15, 2005.

I swear that the foregoing is true under penalties of perjury of the United States.

Executed this 14th day of May, 2007.

/s/ Jason H. Kim
JASON H. KIM